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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROGER M. SNOW¹

Appeal 2017-005153
Application 13/631,816
Technology Center 3700

Before LINDA E. HORNER, JOHN C. KERINS, and JAMES P. CALVE,
Administrative Patent Judges.

CALVE, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Final Office Action rejecting claims 1–33, 35, 37, and 39. Appeal Br. 8. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM.

¹ Bally Gaming, Inc. and Scientific Games Corporation are identified as the real parties in interest. Appeal Br. 5.

CLAIMED SUBJECT MATTER

Claims 1, 12, and 23 are independent. Claim 1 is illustrative and is reproduced below.

1. A computer-implemented method of playing a wagering game, comprising:
 - receiving, by a user interaction server of a gaming system and from a user device, an ante wager associable with a player;
 - dealing, by the user interaction server, at least one card associable with a player position associable with the player;
 - dealing, by the user interaction server, at least one card associable with a dealer position;
 - dealing, by the user interaction server, at least one community card;
 - administering an initial play election event, comprising:
 - displaying, by a client of the user interaction server and on a display of the user device, first options for the player associable with the user device, the first options consisting of
 - a check, and
 - a first play wager against a dealer hand associable with the dealer position and of an amount at least equal to an amount of the ante wager and no more than a first multiple of the amount of the ante wager; and
 - after the at least one card associable with the player position is displayed, receiving, by the user interaction server and from the user device associable with the player, a first play election selected by the player from the first options and input by the player using the user device;
 - revealing, by the client of the user interaction server to the user device, the at least one community card;
 - administering at least one subsequent play election event, comprising:
 - responsive to revealing the at least one community card and before receiving a play wager associable with the player,
 - displaying, by the client of the user interaction server and on the display of the user device, second options for the player associable with the user device, the second options consisting of a fold, and

a second play wager against the dealer hand and that is no more than a second multiple of the amount of the ante wager and less than the first multiple of the amount of the ante wager; and
receiving, by the user interaction server and from the user device associable with the player, a second play election selected by the player from the second options and input by the player using the user device; and
resolving, by the gaming system, all received wagers, wherein no more than one play wager against the dealer hand is received, and
wherein a final play election selected from options comprising a play wager against the dealer hand follows distribution of all cards available for a player hand associated with the player position, follows administration of at least the initial play election event, and is not preceded by receipt of the first play wager during the initial play election event.

Appeal Br. (Claims App. 1–2).

REJECTIONS²

Claims 1–33, 35, 37, and 39 are rejected as being directed to patent ineligible subject matter under the judicial exception to 35 U.S.C. § 101.

Claims 1 and 7–11 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Jones (US 5,380,012, iss. Jan. 10, 1995) and Feola (US 5,762,340, iss. June 9, 1998).

Claims 2–6, 12–33, 35, 37, and 39 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Jones, Feola, and Merlino (US 5,657,993, iss. Aug. 19, 1997).

² The Examiner withdrew provisional double patenting rejections of claims 1–39 over claims of copending applications 13/455,742, 13/549,969, and 14/082,835 in response to the terminal disclaimers that were filed by Appellant. Ans. 3.

ANALYSIS

Claims 1–33, 35, 37, and 39 As Patent Ineligible Subject Matter

Appellant argues claims 1–33, 35, 37, and 39 as a group. Appeal Br. 30–74. We select claim 1 as representative, and claims 2–33, 35, 37, and 39 stand or fall with claim 1. 37 C.F.R. § 41.37(c)(1)(iv).

To determine patent-eligibility, we perform a two-step analysis. First, we determine if the claims are directed to a patent-ineligible concept like an abstract idea. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). If so, we determine if the claims contain an “inventive concept” that transforms the abstract idea into a patent-eligible application. *Id.* at 2357.

Alice Step One: Are the Claims Directed to an Abstract Idea?

The Examiner determines that claim 1 is directed to an abstract idea of dealing cards from a deck and playing card games according to a predefined set of rules where wagering may occur. Final Act. 4–5. The Examiner finds that Appellant claims a new set of rules for playing a card game and actions a player may take including wagering. *Id.* at 5, 6, 11. The Examiner finds the set of rules for playing is an abstract idea. *Id.* at 6; Ans. 12 (citing *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016)). The Examiner determines the set of game rules also is directed to other patent ineligible subject matter such as (a) the mental activity of forming a judgment, observation, evaluation, or opinion, (b) interpersonal interactions between players, (c) human behavior of following game rules, and (d) instructions for how business should be conducted. Final Act. 6, 9–10. The Examiner determines that the computer implementation and card sensors can be performed by human senses and decisions and thus do not render this subject matter eligible. *Id.* at 6.

We agree with the Examiner that the Federal Circuit’s holding in *In re Smith*, 815 F.3d 816 (Fed. Cir. 2016) is controlling and determinative of the issue in this appeal. Ans. 12. *In re Smith* examined the patent eligibility of claims to a “method of conducting a wagering game” with a deck of playing cards that the dealer deals according to game rules while accepting and resolving wagers of players. *Smith*, 815 F.3d at 817–18.

Like the claim in *Smith*, claim 1 recites a “method of playing a wagering game” according to game rules that involve receiving an ante wager from a player, dealing at least one player card, dealer card, and community card, receiving a user play election, which may be a check (no wager) or a first play wager, revealing a player and community card, and receiving a subsequent play election, which may be a fold or a second play wager against the dealer hand, and then resolving all received wagers. Appeal Br. (Claims App. 1–2); Final Act. 13; Ans. 12–13.

In re Smith, which is a precedential decision, held that claims directed to rules for conducting a wagering game are comparable to the fundamental economic practices that the Supreme Court held to be abstract ideas in *Alice* of a method of exchanging financial obligations and *Bilski v. Kappos*, 561 U.S. 593, 611 (2010) of a method of hedging risk. *Smith*, 815 F.3d at 818–19. Like the claim in *Smith*, claim 1 allows players and dealers to exchange financial obligations and hedge risk by placing wagers in various amounts, checking (placing no wager), and relying on community cards. The recital of a “method” does not make claim 1 patent eligible. Final Act. 6 (citing *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1374 (Fed. Cir. 2011) (regardless of the statutory category a claim invokes, the underlying invention is considered for patent-eligibility)); Appeal Br. 36–37.

Appellant's arguments that the Examiner has not provided sufficient articulation of specific claim limitations or the set of rules for playing a card game and thus has oversimplified the claims and downplayed the invention's benefits and character (Appeal Br. 37–44) is not persuasive in view of the Examiner's findings and determinations set forth in the Final Office Action and Answer and as summarized above. The Examiner's determinations and findings place Appellant sufficiently on notice of the basis of the rejection and are comparable to those in other cases. *See Smith*, 815 F.3d at 818–819; *Planet Bingo, LLC v. VKGS LLC*, 576 F. App'x 1005, 1007–08 (Fed. Cir. 2004) (claims directed abstract idea of “methods and systems for ‘managing a game of Bingo’”) (non-precedential). Claim 1 recites rules for a wagering game. The individual limitations recite wagering and game play steps.

The Specification discloses the “present invention relates to wagering games, casino table wagering games, casino table playing card wagering games, computer-implemented wagering games, and variants of casino table wagering games that use poker ranks in determining outcomes.” Spec. ¶ 2. In particular, the claims are directed to a “new variant game of Hold ‘Em poker” that “allows for rules of play of one or all of players being allowed to remain in the game with an option of checking or making specific wagering amounts in first play wagers.” *Id.* ¶ 4.

As the Examiner correctly determines, claim 1 is directed to rules for playing and managing a card game for wagering. Claim 1 recites game play rules discussed above of receiving wagers from a player (ante, first play wager, second play wager), receiving player options (check, fold, or place first and second play wagers), dealing player, dealer, and community cards, and resolving wagers. Final Act. 4–6; Ans. 12–14; *see* Appeal Br. 49.

Appellant's arguments belie the fact that Appellant is on notice of the bases of the rejection. Appeal Br. 55 ("the Examiner essentially categorized the *entirety* of the present claims as constituting the abstract idea of 'a set of rules for playing a card game'"). Appellant's argument that claim 1 recites an ordered combination of steps that are not fundamental practices, building blocks, or basic tools of the gaming industry (*id.* at 55–57) is, likewise, not persuasive as Appellant admits that claim 1 relates to rules for playing a game and wagering, albeit in a particular, ordered combination (*id.* at 56). See Final Act. 13. *Smith* held that such game play rules are an abstract idea.

Even if claim 1 recites a new or nonobvious combination of rules for playing a game and wagering, as Appellant asserts is the case, the claim is directed to rules for a wagering game, which *In re Smith* held to be akin to fundamental economic practices considered abstract by the Supreme Court. *Smith*, 815 F.3d at 818. Appellant's arguments show that claim 1 is directed to rules for conducting a wagering game. See Appeal Br. 55–56 (reciting claimed steps of play options of placing first and second play wagers or a check at prescribed multiples of the ante wager as part of the claimed play election events), 62 (same). Claim 1 recites three wagers and provides a player with the ability to check (i.e., place no first play wager). Thus, claim 1 recites wagering rules for a card game that involves a dealer dealing cards and a player making wagering choices and exercising various player elections. We are not persuaded that the claimed rules for wagering and game play are distinguishable from the rules for a wagering game in *Smith*, which rules were held to be a patent-ineligible abstract idea. See Appeal Br. 45; see also *Two-Way Media Ltd. v. Comcast Cable Comm'ns, LLC*, 874 F.3d 1329, 1339–40 ("Eligibility and novelty are separate inquiries.").

We also agree with the Examiner that claim 1 is directed to an abstract idea of “organizing human activity” and managing a game (Final Act. 5) like the method of managing a bingo game in *Planet Bingo*. *Planet Bingo*, 576 F. App’x at 1007–08. The claims in *Planet Bingo* recited “steps of selecting, storing, and retrieving two sets of numbers, assigning a player identifier and a control number, and then comparing a winning set of bingo numbers with a selected set of bingo numbers.” *Id.* Claims directed to managing a game of Bingo are similar to “organizing human activity” held to be an abstract idea in *Alice*. *Id.* at 1008. *See* Appeal Br. 48 (game is *unconventional*).

Here, claim 1 recites a method of playing a wagering game that serves to organize the activities of a dealer (automated) and player similar to the game managed in *Planet Bingo*. Appellant’s argument that *Planet Bingo* treated a method of managing a game of bingo as mental steps (Appeal Br. 47–48) is not persuasive in view of the court’s holding that the method was directed to the abstract idea of organizing human activity. *Planet Bingo*, 576 F. App’x at 1008; Final Act. 9. Claim 1’s game rules involve mental steps and probabilities that can be performed in the human mind. *CyberSource*, 654 F.3d at 1371–72; Appeal Br. 47 (claims are not *solely* mental steps).

Appellant’s attempts to distance the subject matter of claim 1 from the general characterizations set forth in *Alice* are unavailing, given the decision in *Smith*, which is precedent very closely on point to the present situation. As noted above, in *Smith*, the court determined that “rules for conducting a wagering game, *compare to other ‘fundamental economic practice[s]’* found abstract by the Supreme Court.” *See Smith*, 815 F.3d at 818 (emphasis added). We find *Smith* to be binding on the facts and issues in this appeal, in terms of the claimed subject matter being directed to an abstract idea.

Contrary to Appellant’s arguments (Appeal Br. 11–16), recent Federal Circuit decisions support the Examiner. In *Enfish*, the claims were directed to improvements in computer database technologies through the use of self-referential tables that differed from conventional database structures and provided increased flexibility, faster search times, and less memory needs. *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336–37 (Fed. Cir. 2016).

Similarly, in *DDR Holdings*, the claims were necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks” and, thus, did not merely recite an abstract idea. *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014). The claims addressed the problem of retaining website visitors who would be transported away from a host’s website after clicking on an advertisement by activating a hyperlink that sends them to an outsource provider’s hybrid web page with the look and feel of the host website and product information from a third party merchant’s website without actually taking the visitor to the third-party merchant’s website. *Id.* at 1257–58.

In *McRO*, the claims improved computer animations through accurate, realistic lip synchronization and facial expressions. *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1313 (Fed. Cir. 2016).

Here, Appellant asserts the claimed method is *unconventional* because it recites an ordered *combination* of game play that is *unconventional*, not because it is directed to improvements in technology for gaming, computers, or networks.³ Appeal Br. 45–49, 63–64. In other words, it recites known abstract wagering game rules in an alleged different order than is known.

³ Appellant’s alleged computer improvements (Spec. ¶¶ 78–82) are not recited in the claims.

Alice Step Two: Do the Claims Contain an “Inventive Concept”?

The Examiner determines that the claimed steps of displaying and resolving wagers amounts to nothing significantly more than instructions to a processor to apply the abstract idea of following the rules of a wagering game. Final Act. 13. The Examiner also finds that nothing of record indicates that the claimed rules individually or as an ordered combination solve any known problem in the art or improve upon any of the multitude of other variations of poker that are known. *Id.* at 11.

Appellants argue that claim 1 recites significantly more than a mere abstract idea and provides an inventive concept that transforms any abstract idea into a patent-eligible invention. Appeal Br. 61. Appellant argues that the inventive concept is displaying by a user interaction server on a display of a user device first options for the player of a check or a first play wager against a dealer, second options of a fold or a second play wager against a dealer hand with various wager rules and options. *Id.* at 62. Appellant also argues that the claimed game rules are unconventional and are significant to the solution provided in the recited methods. *Id.* at 63–65.

If a patent claim recites a computerized method with mere instructions to implement an abstract idea on the computer, the computer cannot impart patent eligibility. *Alice*, 134 S. Ct. at 2358; *Planet Bingo*, 576 F. App’x at 1008. Claim 1 does not recite innovative computer architecture or software to implement the wagering game rules. Claim 1 recites rules of a wagering game intended to entice players to play the game. Spec. ¶ 3. Appellant discloses that gaming actions and rules include accepting wagers, making payouts, dealing cards, selecting cards, and other actions associated with a player or a dealer to include physical and electronic embodiments. *Id.* ¶ 84.

Claim 1 is directed to the abstract idea of *rules* for a wagering game, rather than specialized computer game play. *See Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1355 (Fed. Cir. 2016) (claims do not require inventive types of information, components, methods, or programming; they merely select information for collection, analysis, and display, similar to ordinary mental processes); *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016) (claims reciting generic computer components such as an “interface,” “network,” and “database” do not add an “inventive concept” to an otherwise abstract idea); *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346, 1348–49 (Fed. Cir. 2015) (claims directed to generalized steps to be performed on a computer using conventional computer activity are not patent eligible).

As the Federal Circuit made clear in *Two-Way Media Ltd. v. Comcast Cable Communications*, the improvement must be a technical one. *See Two-Way Media Ltd. v. Comcast Cable Comm., LLC*, 874 F.3d 1329, 1338–39 (Fed. Cir. 2017) (reciting an abstract idea performed on generic computer and network components that operate according to their ordinary functions does not contain an inventive concept). Although the specification described an innovative system architecture with protocols and signal selections, the claims did not recite the innovations. *Id.*

Here, the alleged innovative concept is a new combination of rules for wagering on a card game as implemented in a conventional computer. The new rules cover “action on a live gaming table, a virtual table or display, and the generation, transmission, and reception of such an action in an electronic form where player and dealer choices, selections, or other actions are received at an electronic interface.” Spec. ¶ 84.

Claim 1 does not recite a *technological* innovation in computers or in any other technological field. *Alice*, 134 S. Ct. at 2359. Instead, Appellant argues that the claims recite a combination of features that is unconventional in the gaming industry. *See* Appeal Br. 61–66. Thus, claim 1 is directed to an alleged new ordered combination of conventional rules (wagers, a check, a fold, display of player options) for conducting a wagering game. Even if claim 1 recites a new combination of rules for a wagering, nonetheless, it is directed to rules for a wagering game, which is an abstract idea under *Smith*.

Claim 1 does not recite a technical improvement tied to a specific apparatus that solves a technical problem in the gaming arts. *See Two-Way Media*, 874 F.3d at 1338–39. Instead, it allows a player to remain in a game with an option of checking or making wagers (Spec. ¶¶ 4, 22–37, Figs. 11–13) via an automated computer implementation. The Declaration under 37 C.F.R. § 1.132 submitted by the inventor in a co-pending application (Appeal Br. 65) merely recounts changes to the game rules that make the game more interesting. Snow Decl. ¶¶ 4–8. The declaration also pertains to another claimed method. The steps of claim 1 involve purely conventional activities – wagering, checking, dealing cards, displaying community/other cards, and play elections. *Smith*, 815 F.3d at 819. They do not improve existing technology in the gaming arts, however. *Cf.* Appeal Br. 65.

In *Bascom Global Internet Services, Inc. v. AT&T Mobility LLC*, 827 F.3d 1341 (Fed. Cir. 2016), an inventive concept existed because a claimed Internet filtering improved an existing technological process. *Bascom*, 827 F.3d at 1350–51. In *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), the claims recited an unconventional use of the Internet to create a composite website. *DDR*, 773 F.3d at 1258–59.

As Appellants point out (Appeal Br. 67–69), the court in *Smith* stated that a game using a new or original deck of cards might survive step two of *Alice*. *Smith*, 815 F.3d at 819. However, claim 1 does not recite a new or an original deck of cards. Claim 1 recites a user interaction server and user device that allow cards to be dealt and wagers to be made. Appeal Br. 67–68. The claimed devices automate the rules of the card game using generic computers to perform conventional activities of sending data for wagering.⁴ See *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (“[M]erely adding computer functionality to increase the speed or efficiency of the process does not confer patent eligibility on an otherwise abstract idea.”).

In *Enfish*, our reviewing court instructs us that “[s]oftware can make non-abstract improvements to computer technology just as hardware improvements can, and sometimes the improvements can be accomplished through either route.” *Enfish*, 822 F.3d at 1335. Thus, *Enfish* generally stands for the proposition that software may be patent-eligible subject matter if it improves a computer’s functionality. Here, the limitations at issue are not directed to an improvement to a computer’s functionality. The alleged improvements identified by Appellant are additional rules of a card game, held to be abstract ideas in *Smith*. As the Federal Circuit has made clear,

Our prior cases have made clear that mere automation of manual processes using generic computers does not constitute a patentable improvement in computer technology. In those cases, “the focus of the claims is not on such an improvement in computers as tools, but on certain independently abstract ideas that use computers as tools.”

⁴ Spec. ¶¶ 78–82 (known systems).

Credit Acceptance Corp. v. Westlake Svcs., 859 F.3d 1044, 1055 (Fed. Cir. 2017) (quoting *Elec. Power Grp.*, 830 F.3d at 1354).

Features specific to the dealing rules, wagering rules, player elections, and payout rules either implement the abstract idea⁵ or are mere insignificant pre-solution activity or insignificant post-solution activity. *See Parker v. Flook*, 437 U.S. 584, 590 (1978) (“The notion that post-solution activity, no matter how conventional or obvious in itself, can transform an unpatentable principle into a patentable process exalts form over substance.”); *cf Mayo*, 132 S. Ct. at 1298 (“Purely ‘conventional or obvious’ ‘[pre]-solution activity’ is normally not sufficient to transform an unpatentable law of nature into a patent-eligible application of such a law.” (alteration in original) (quoting *Parker*, 437 U.S. at 590)). Like the *Flook* claims, claim 1 does not recite either unconventional physical elements or an unconventional relationship between the abstract idea and the physical elements.

Appellant’s argument that the recited dealing rules, wagering rules, player elections, and payout rules are novel/nonobvious and unconventional, is unavailing. Even assuming that claim 1 is “a novel and nonobvious modification,” as the Supreme Court has stated, “[t]he ‘novelty’ of any element or steps in a process, or even of the process itself, is of no relevance in determining whether the subject matter of a claim falls within the § 101 categories of possibly patentable subject matter.” *Diamond v. Diehr*, 450 U.S. 175, 188–89 (1981); *Versata Develop. Grp. v. SAP Am.*, 793 F.3d 1306, 1335 (Fed. Cir. 2015) (claims improved abstract idea not computer performance). Thus, we are not apprised of error based on this argument.

⁵ The Examiner considers that the game instructions and display steps are extra solution activity to show game indicia. *See Ans. 22.*

Appellant's argument that claim 1 does not monopolize the rules for playing a card game (Appeal Br. 70–73) is resolved by the § 101 analysis. *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015); *see also Smart Sys. Innovations, LLC v. Chicago Transit Auth.*, 873 F.3d 1364, 1375 (Fed. Cir. 2017) (same).

Thus, we sustain the rejection of claims 1–33, 35, 37, and 39.

*Claims 1–33, 35, 37, and 39
Rejected Over Jones, Feola, and Merlino*

Because claims 1–33, 35, 37, and 39 are directed to patent-ineligible subject matter, we do not reach the prior art rejection of those claims. *See In re Comiskey*, 554 F.3d 967, 973 (Fed. Cir. 2009) (declining to reach the prior art rejection when claims are barred at the threshold by § 101); *Ex parte Gutta*, 93 USPQ2d 1025, 1036 (BPAI 2009) (precedential) (same).

DECISION

We affirm the rejection of claims 1–33, 35, 37, and 39 under 35 U.S.C. § 101.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED